



bookkeeping
tax preparation
business advisory

New corporation from sole proprietor to do's

Congratulations on growing your sole proprietorship to a point where you need/want to incorporate! This is a pretty big milestone in any business. The first step would be to hire a lawyer to set up your incorporation and a possible shareholder agreement on your behalf. Do not attempt to incorporate yourself; there are many steps involved, hence why we suggest you hire a reputable lawyer. Your lawyer will go over items, such as, a business name, share structure and what date of incorporation you'd like to go with.

After you have filed your incorporation application and have received your new business number and incorporation documents, there are a few things that need to be taken care of BEFORE you start actively using your incorporation. Please see below the items that need to be done in order to successfully transition your business from a sole proprietorship to a corporation (some by you, some by us):

- Maintain communication with your bookkeeper on file throughout. This is very important! We can't help you if you don't communicate with us.
- Set up new bank account in corporation name. You will need your incorporation documents and share registry to take with you to the bank.
- New corporate credit card in corporation name. Your banking institution will help you with this.
- Set up new accounts with CRA – you get a new Business Number when you incorporate, but Payroll, GST and other CRA accounts need to be setup under this number. This is something we can do for you once we have a new signed RC59 on file.
- New file/set of books in QBO – this is something we can do for you. Also, if you want to track new/different income streams, this is a good time to tell us. Do NOT cancel your existing QBO subscription. We need to run both sets of books until we can wind up the sole prop files.
- New file in Dext. We need to set up a new file in Dext for collecting your receipts. You need to let us know when the new company is going to be active. This should be a conversation with us – we may have some advice that can save you money.



- New WCB account set up, if applicable. We can do this when we set up your new CRA accounts.
- New PST account set up, if applicable. We can do this for you as well.
- If you had/have employees in your sole proprietorship, we will need to issue Record of Employments for each of them and rehire them under the new business. New TD1 forms should be completed at this time.

Maintain communication with your bookkeeper on file throughout. Yes, we said this already, but it is so important it bears repeating.